Declassified in Part - Sanitized Copy Approved for Release 2013/02/19: CIA-RDP78-01617A001700040001-8

SECRET

IRELAND



SR-48 Published 1 April 1949 Document No. OO NO CHAIRS IN Class.

XI DIG ASSIMILD

CHARL CHAIRS TO: TS S C

DIA Mano, 4 Apr 77

Auth: DIA N.J. 77/1763

Date 21/1/78 By: QZ3

V X

CENTRAL INTELLIGENCE AGENCY

| Declassified in Part - Sanitized Copy Approved for Release 2013/02/19 : CIA-RDP78-01617A001700040001 | 1-8 |
|--|-----|
| | |
| | |
| | |
| | |
| | , |
| · | مر |
| | |

WARNING

This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50 U.S.C., 31 and 32, as amended. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

DISSEMINATION NOTICE

- 1. This copy of this publication is for the information and use of the recipient designated on the front cover and of individuals under the jurisdiction of the recipient's office who require the information for the performance of their official duties. Further dissemination elsewhere in the department to other offices which require the information for the performance of official duties may be authorized by the following:
 - a. Special Assistant to the Secretary of State for Research and Intelligence, for the Department of State
 - b. Director of Intelligence, GS, USA, for the Department of the Army
 - c. Chief, Naval Intelligence, for the Department of the Navy
 - d. Director of Intelligence, USAF, for the Department of the Air Force
 - e. Director of Security and Intelligence, AEC, for the Atomic Energy Commission
 - f. Deputy Director for Intelligence, Joint Staff, for the Joint Staff
 - g. Assistant Director for Collection and Dissemination, CIA, for any other Department or Agency
- 2. This copy may be either retained or destroyed by burning in accordance with applicable security regulations, or returned to the Central Intelligence Agency by arrangement with the Office of Collection and Dissemination, CIA.

DISTRIBUTION:

Office of the President

National Security Council

National Security Resources Board

Department of State

Office of Secretary of Defense

Department of the Army

Department of the Navy

Department of the Air Force

State-Army-Navy-Air Force Coordinating Committee

Joint Chiefs of Staff

Atomic Energy Commission

Research and Development Board

Document No. OO

NO CHANGE in Class.
DECLASSIFIED
Class. CHANGED TO: TS S C

DDA Memo, 4 Apr 77

Auth: DDA REG. 77/1763

Date: 31/1/8 By: OZ3



SR-48

IRELAND

TABLE OF CONTENTS

SUMMARY

CHAPTER I — POLITICAL SITUATION

| 1. | GENESIS OF THE PRESENT POLITICAL SITUATION |
|------------|---|
| 2. | PRESENT GOVERNMENTAL STRUCTURE |
| 3. | POLITICAL PARTIES 8 a. Fianna Fail 9 b. Fine Gael 10 c. Clann na Poblachta 10 d. Labor Party 11 e. National Labor Party 12 f. Farmers 12 g. Independents 12 |
| 4. | OTHER GROUPS AND ORGANIZATIONS a. The Roman Catholic Church b. Communists c. Irish Republican Army d. Other Influential Groups 12 13 14 |
| 5 . | Partition |
| 6. | Current Political Issues |
| 7 . | STABILITY OF THE PRESENT ADMINISTRATION |
| | CHAPTER II — ECONOMIC SITUATION |
| 1. | Population and Natural Resources |
| 2. | AGRICULTURE |
| 3. | INDUSTRY AND LABOR |
| 4. | Finance |
| 5. | FOREIGN TRADE AND BALANCE OF PAYMENTS |
| | CHAPTER III — FOREIGN AFFAIRS |
| 1. | Irish Foreign Policy |
| 2. | RELATIONS WITH THE UNITED KINGDOM AND THE COMMONWEALTH |

CHAPTER VI — PROBABLE FUTURE DEVELOPMENTS AFFECTING UNITED

STATES SECURITY .

SUMMARY

Because hostile military forces established in Ireland would be in a position to dominate lines of communication vital to the security of the United Kingdom and to develop air and submarine bases for attacks against North American war capabilities, denial of Ireland to an enemy is an inescapable principle of United States security. As an ally in an East-West war, Ireland would be a positive asset because it could provide sites for air and naval bases, sheltered by Britain's air defenses, from which strategic bombing, anti-submarine, and convoy protection operations could be facilitated. Although Irish neutrality in such a war would probably be tolerable, it could become necessary to utilize Ireland for these purposes under conceivable circumstances of sustained aerial bombardment or hostile occupation of British ports. Actually, Ireland is already ideologically aligned with the West, is strongly Catholic and anti-Communist, and, in spite of military weakness and the Partition issue, would probably not remain neutral in an East-West war.

The Partition issue stems from the Government of Ireland Act of 1920, confirmed in the Anglo-Irish Treaty of 1921. Under the Treaty twenty-six of the thirty-two counties of Ireland gained dominion status, but the six northeastern counties, established as Northern Ireland by the 1920 Act, remained in the United Kingdom. Partition is a constant irritant in Anglo-Irish relations. Its abolition is the principal aim of national policy. The Irish Government has refused to join any military alliance involving the United Kingdom while Partition continues.

Primarily a farming country, Ireland has developed economically as a source of agricultural products for the United Kingdom. Its principal exports are live cattle, of which it is the United Kingdom's chief supplier. Ireland is deficient in natural resources and there are no large basic industries. A member of the sterling area with special fiscal ties to the United Kingdom, Ireland faced difficult postwar problems as a result of war-imposed dislocations of its economy and the inconvertibility of sterling. At present Ireland is dependent on an ECA loan for dollar purchases. The economic situation has shown improvement in recent months.

On 18 April 1949 Ireland will complete the process of separation from the British Commonwealth and will thereafter be known as the Republic of Ireland. Politically Ireland is a democracy, the structure of its government reflecting British constitutional and legal influences. Elections, however, are by the system of proportional representation, which tends to a multiplicity of parties and makes it difficult for any party to obtain a majority of seats in the legislature. At present the largest party is in opposition. All others are participating in the "inter-party Government." This coalition, although it has shown an unexpected stability since coming into office in February 1948, is in a precarious position since the withdrawal of any party or a shift of a few votes would topple it. Ireland, however, is stable constitutionally, if not politically; and the policies and attitudes of any other Government would not differ widely from those of the present Government.

Note: This report has been concurred in by the intelligence organizations of the Departments of State, the Army, the Navy, and the Air Force, and is based on information available to CIA in March 1949.

CHAPTER I

POLITICAL SITUATION

1. Genesis of the Present Political Situation.

Its geographical proximity to Great Britain has been the principal determinant of the course of Ireland's history—which is essentially the history of Anglo-Irish relations. The Norman invasion of England spilled over into Ireland in the twelfth century. For four hundred years Celt and Norman lived side by side, neither in undisputed control, their two races gradually fusing. English control was effective in only a small part of the country, and the Anglo-Norman influx did not produce a unified nation-state. Under the Tudors, in the late fifteenth and early sixteenth centuries, began the effort to enhance the effectiveness and expand the area of English control. Lest Ireland become a base for England's enemies, England felt it must wield military, political, and economic dominion over the neighboring island. The failure of the Reformation to win over Ireland increased both the English determination to succeed and the Irish will to resist. Complete English domination was centuries in the making, and the heritage of bitterness engendered in the process has not dissipated yet.

The conquests and rebellions of the sixteenth and seventeenth centuries ended in the complete subjugation of the Irish. Following the dispossession of the Irish chieftains and the Roman Catholic Anglo-Irish nobles came the various "Plantations," or colonizations, the most effective of which was the deliberate settlement of Ulster with English and Scottish Protestants in the early seventeenth century—the root of the present problem of Partition. The last great Plantation followed the Battle of the Boyne in 1690 when the deposed Catholic English monarch, James II, supported by the Catholic Irish, was defeated by William III. This victory of English Protestantism was one of the major influences on the development of modern Ireland.

The impoverished Catholic tenant peasantry was dominated politically, economically, and socially by a prosperous Protestant oligarchy. Representation in the Irish Parliament, which had only limited powers in any case, was restricted to the ruling minority. Tithes were exacted from the unwilling population for the support of the established Church of Ireland, an Anglican communion. The activities of the Catholic Church were restricted and disabilities were imposed upon its adherents (and also upon Protestant dissenters), thereby confirming the association of Ireland's national cause with the Roman Catholic faith. The Gaelic tongue began to disappear, helped by Irish emigration, the predominance of English political institutions, and a deliberate governmental policy of anglicization. Applications of mercantilist principles stifled Irish industry and trade, affecting especially the Protestants of Ulster but hindering the economic development of the whole country. The government was corrupt, the people poor and bitter and torn by religious dissension; constitutional reforms in the last

decades of the 18th century could not stem the rising tides of revolt. The republican and nationalist rebellion of 1798, which had been inspired in part by the American and French examples, led in 1800 to the Act of Union, accomplished largely through political bribery in Dublin and London, which united Great Britain and Ireland in one kingdom with one Parliament in which both were represented. The rebellion also solidly established the ideal of an independent Irish Republic which was to bring about the end of that union over a century later.

As the nineteenth century opened, Ireland, in striking contrast to wealthy and powerful Great Britain, was a desperately poor and undeveloped country. The Irishman's sense of oppression fed on the disabilities imposed on him because of his religion, on his economic and social subjugation, and on his hunger for land. His appetite for independence was whetted by the stand-pat attitude of the Tory element in England towards the "Irish Question", an attitude produced at least in part by their failure to comprehend the fundamental nature of the Irishman's grievances and aspirations. The nineteenth century, which saw the decimation of the Irish population by famine and emigration, was marked by occasional armed uprisings against British rule, by the frustrated efforts of a succession of brilliant Irish political leaders to obtain Home Rule through parliamentary processes, and by attempts by force as well as by parliamentary means to satisfy the land hunger of the Irish masses. Political equality for Catholics was secured in 1829. The Anglican Church of Ireland was disestablished in 1869. The eventual displacement of the landlords, many of whom were absentees, by peasant proprietors was initiated by legislation at the end of the century. But such reforms did not stunt the growth of a nationalism which was receiving increasing moral and financial support from Irish emigrants and their descendants in America and elsewhere.

In 1886 and 1892 Home Rule Bills had failed of adoption in the British Parliament; a third Home Rule Bill, passed over the veto of the House of Lords, was due to become law in 1914. The Unionists of northeastern Ulster were threatening to resist the Bill's implementation, while the Nationalists were preparing to welcome it. As World War I broke out, the atmosphere in Ireland was more tense than it had been for over a century, and in September 1914, the operation of the Bill was suspended. By 1918 mere Home Rule was, to the great majority of Irishmen, no longer acceptable. With the advent of the twentieth century had come a great burst of nationalism sparked by a remarkable literary renaissance and a movement for the revival of the Gaelic language and culture, by a rapidly growing labor movement, and by a secret revolutionary society which was heir to the republican ideal. To the men of these movements anything less than complete independence was intolerable; it was they who organized the quite hopeless but deeply stirring rebellion of Easter Week, 1916. The Rising failed, but the national passion for independence was fired by the stern punishment meted out to its leaders and Irish nationalism began a drive for complete independence.

In the parliamentary elections of 1918 the independence-bent Sinn Fein * organization swept the polls in Ireland. The 73 Sinn Fein members (out of 105) returned at the election were pledged not to attend the Parliament at Westminster; they met

4

^{*} Meaning "Ourselves."

in Dublin as Dail Eireann*, issued a Declaration of Independence, and set up a Government of the Irish Republic. The two years of exhausting guerrilla warfare that followed ended in compromise: the Anglo-Irish Treaty of 1921—known to Irishmen simply as the Treaty—which provided for the establishment of the Irish Free State. The Free State, however, did not include all of Ireland; the six northeastern counties of Ulster chose to remain a part of the United Kingdom. Nor was it a Republic, for the Treaty provided that it was to have the status of a dominion of the British Commonwealth. But the Treaty settlement was nevertheless accepted by a majority of Irishmen, and in 1922 under W. T. Cosgrave the first Government of the Irish Free State assumed office.

To Cosgrave and his supporters, who remained in power for ten years, the Treaty afforded "freedom to achieve freedom". Their administration was conservative and primarily concerned with the problem of restoring internal stability. In the first two years of the Cosgrave Government guerilla warfare was waged against the Free State by remnants of the Irish Republican Army who had vowed to continue the struggle for a united Ireland completely independent of the United Kingdom. The bitterness generated by the "Civil War" still plagues Irish politics.

Even after the restoration of tranquillity the republicans, most of them now organized into the Fianna Fail party under Eamon De Valera, a principal leader in the struggle for independence, boycotted the Free State Government. Until 1927 the elected Fianna Fail deputies refused to take the oath prescribed for Dail deputies on the ground that it was an oath of allegiance to the King. Finally, in 1927, the oath was sworn—as an "empty political formula"—and De Valera led Fianna Fail into the Dail. In 1932 he formed the Government that was to remain in power for the next sixteen years.

The pro-Commonwealth policies of the Cosgrave Government were reversed. Fianna Fail envisaged complete Irish political and economic independence. A discontinuance of certain land annuity payments to the British precipitated a tariff war and a general deterioration of Anglo-Irish relations. The land annuities dispute was settled in 1938 and a trade agreement concluded; the British also relinquished the three naval bases in Ireland reserved under the Treaty. Meanwhile, Fianna Fail had been only partially successful in its program to lessen economic dependence on the United Kingdom by fostering Irish industrial development. But it had proceeded far with the implementation of its nationalistic aims. By the time of the adoption of the present Constitution in 1937, the functions of the Crown in Irish domestic affairs had been completely discarded and in external affairs there remained only a very tenuous link with the Commonwealth.

The 1930's were also turbulent years internally, with armed political demonstrations and even terrorism not uncommon. Before the formation of the Fianna Fail Party, De Valera had broken with the militant extremists of the Irish Republican Army (IRA); but, in office, he was reluctant to suppress them and he lifted the ban imposed under Cosgrave. The IRA had remained active and armed while illegal; and now, in a time of depression and deteriorated relations with the United Kingdom, it became a serious menace. During this period an unarmed counter organization,

^{*} Literally, "Assembly of Ireland".

eventually called the Blueshirts, was formed along para-military lines. The leading Opposition party came under partial Blueshirt control for a time. The activities of the Blueshirts were restricted by the Government and eventually ceased; but not until the Cosgrave Party, the present Fine Gael, had been demoralized by association with them, for the Blueshirts in their later days had begun to preach doctrines Fascist in connotation. The IRA was finally declared an illegal organization in 1936, and the proclamation was renewed under the new Constitution.

By the beginning of World War II Ireland had emerged from this period of political, economic, and social discord. De Valera's administration was popular, and his policy of neutrality had universal support. The settlement of 1938 had ended a period of disputatious Anglo-Irish relations, but neutrality in World War II posed a new problem. The respect accorded their neutrality did much to alleviate Irish dislike and mistrust of the English although Ireland's neutrality hardened the attitude of Northern Ireland. At present Anglo-Irish relations, although still complicated by Partition, are more friendly than ever.

The end of the war found the country with a serious economic problem and the electorate in the mood for a change of Government.

2. PRESENT GOVERNMENTAL STRUCTURE.

The present Constitution has been in effect since 29 December 1937. The structure of the State and the form of government reflect the influence of British institutions: a unitary State and a parliamentary democracy governed by a Cabinet responsible to a popularly elected legislature. Subject to the Constitution, the Oireachtas, or National Parliament, consisting of the President and two houses, exercises exclusive legislative authority. In practice the legislative power is exercised by the Dail, or House of Representatives; the Seanad, or Senate, cannot ultimately prevent the passage of any measure. Parliamentary supremacy exists but is qualified by certain constitutional restrictions on the legislative power. For example, the right to own and transfer property is guaranteed by the Constitution; a law infringing that right would be declared unconstitutional if judicially reviewed. Constitutional amendments must be approved by popular referendum, and no significant amendments have been made since the adoption of the Constitution.

The President of Ireland is elected by universal suffrage for a term of seven years. He is the ranking personage in the State and is considered above politics. Sean T. O'Kelly has been President since 1945 when he succeeded Douglas Hyde, the first President. Presidential duties are largely non-discretionary and must be exercised in nearly all instances on the advice of the Government.

The mechanics of government parallel the British system. The executive power is exercised by the Government which is collectively responsible to the Dail. The Dail is elected by universal suffrage for a statutory maximum period of five years. A general election must also be held within thirty days of a dissolution of the Dail by the President, which must be on the advice of the Prime Minister. Since the President, however, may in his discretion, refuse to dissolve on the advice of a Prime Minister who

has ceased to retain majority support, it is constitutionally possible for a change of Government to occur without a general election. The Taoiseach, or Prime Minister, is appointed by the President on the nomination of the Dail; that is, he is elected by the Dail and must therefore have the support of a majority of the deputies voting. The other Cabinet Ministers are appointed by the President on the nomination of the Prime Minister with the previous approval of the Dail. The Prime Minister must resign when he loses the confidence of the Dail unless on his advice the President dissolves the Dail and on its re-assembly after the general election he secures the support of a majority. While a Prime Minister retains majority support, he may compel a dissolution at any time, thus precipitating a general election.

The Dail is elected on the basis of proportional representation by means of the single transferable vote. At present there are 147 deputies in the Dail and forty constituencies, twenty-two of them returning three deputies, nine returning four, and nine returning five. Although proportional representation has encouraged small parties and has given each party seats in rough proportion to its strength, it has made it difficult for a party to obtain an absolute majority of seats in the Dail. Coalition Government is the usual result of proportional representation. Ireland, however operated under this system for twenty-two years before it had a Government in which more than one party participated. But in the first five of those years the largest opposition party did not attend the sessions of the Dail, and in twelve of the remaining twenty-one years the Government party had a mere plurality and the Government was maintained in office by the votes or abstentions of one or more of the smaller parties. Only in the periods 1938-43 and 1944-48 did the Government party command an absolute majority. The present Government which prefers to call itself an "inter-party Government" rather than a coalition is nevertheless a majority coalition of all except the largest party.

The Seanad, or Senate, is composed of sixty members, forty-three elected from panels representing various vocational interests, six elected by the universities, and eleven appointed by the Prime Minister. Panel elections are by a complicated proportional representation procedure and must be held within ninety days of a dissolution of the Dail; electors are the members of both houses and of local government bodies. The Senate was not intended to be a politically tinged body, but it has become so: a party's strength in elected Senators usually reflects its strength in the Dail, and the appointed Senators are often defeated candidates for the Dail. The Senate performs the usual second house function of amending and revising measures passed in the lower house. In case of disagreement with the Dail the Senate may exercise a delaying rather than a rejecting power. Given the present tendency of the party situation in the Senate to parallel that in the Dail, a flat refusal of a Dail-passed bill would be most unusual; and it has, in fact, not occurred since the adoption of the present Constitution.

For local government purposes Ireland is divided into administrative counties and county boroughs headed by a manager and a council elected triennially by proportional representation. Urban districts within the administrative counties have their own elected councils. For the most part held over from the British regime, the local government system is an outdated and much criticized hodge-podge. A revamping of the system within the next few years is likely.

The English common law prevails in Ireland and the judicial system is like that of the United States and England. There is a High Court with original jurisdiction and a Supreme Court with final appellate jurisdiction; in addition, there are local courts of limited jurisdiction and justices of the peace. All judges are appointed by the President and may be removed from office only for stated misbehavior upon resolution passed by the Dail and Senate. The Constitution guarantees to the judges free exercise of their judicial functions. The caliber of the Irish bench and bar is comparable to the British, and the administration of justice is on an equally high plane.

With the exception of a literary censorship on moralistic lines the usual civil liberties characterizing a democratic State exist and are guaranteed by the Constitution. The Protestant minority has full religious freedom; in fact, the first President of Ireland under the 1937 Constitution, Douglas Hyde, was a Protestant.

The civil service system parallels the British: it is administered by a Civil Service Commission in the Department of Finance which recruits by examination. Proficiency in Irish (Gaelic) is a requisite. The tradition that civil servants do not engage in politics prevails, and they retain their positions on a change of Government. There is a permanent civil service head, called Secretary, of each government department.

The level of literacy is high. Elementary education, free and compulsory, is given in the national schools. The State also maintains technical and agricultural schools; but secondary schools generally are under private control although they are usually assisted by State grants and are therefore subject to State inspection. University education is available at the National University of Ireland, with constituent colleges at Dublin, Cork, Galway, and Maynooth (ecclesiastical), and the University of Dublin (Trinity College).

3. POLITICAL PARTIES.

Political violence has faded from the scene in Ireland. But although the Treaty is no longer an issue, the many personal antagonisms which originated in 1921-23 when Irish nationalists fought one another over its acceptance still persist. Political speeches and parliamentary debates are often stormy and bitter, but political life is now more characterized by controversial personalities than by controversial issues. For the most part the parties all exercise effective parliamentary discipline. But in the parties generally there are varying points of view, some of them more closely allied policy-wise with the views of groups in other parties than with other groups in the same party. Consequently, no ideological labeling of the parties is entirely satisfactory. However, a rough arrangement—from right to left—might be as follows: Fine Gael, Clann na Talhman, Fianna Fail, National Labor, Clann na Poblachta, Labor. All parties are at one in opposing Partition. In addition, there is a wide area of agreement on basic outlook among Fine Gael, Fianna Fail, and Clann na Talhman on the one hand and between Clann na Poblachta and Labor on the other. It is possible, therefore, that new parties and combinations will be formed; a union of Fine Gael and Fianna Fail is presently impeded principally by personal differences and prejudices deeply ingrained

in the present generation of political leaders. An eventual, and probably gradual, total realignment into the natural party components of right, left, and center is not unlikely.

At present the largest party, De Valera's Fianna Fail, is in Opposition. The Government is a coalition of all other parties, three of them of moderate size, two of them clinging tenaciously to their separate existences by virtue of proportional representation. In the general election of 1944 Fianna Fail obtained a clear majority of seats. Despite public dissatisfaction with the rising cost of living, the security of the De Valera Government seemed assured until 1949, the full statutory term of the Dail, when the Government decided late in 1947 to seek a new lease on life and risk a general election the following February. Its decision was motivated principally by a desire to nip in the bud the growing threat of the newly organized Clann na Poblachta, which had captured two seats from Fianna Fail in by-elections in October 1947. Fianna Fail underestimated both the degree of public dissatisfaction with the cost of living and the capacity of the smaller parties to form a coalition in the event of Fianna Fail's falling short of a majority. The election was held on 4 February 1948; of 147 seats, Fianna Fail won only 68. The smaller parties and most of the Independents united against De Valera, and the Dail elected John A. Costello Prime Minister and approved his "inter-party Government" which represented every party except Fianna Fail.

a. Fianna Fail.

Fianna Fail * is the party of Eamon De Valera. Its policies on international affairs are influenced by intense nationalism and by a disillusionment with Big Power policies which began to harden in 1935-36 when De Valera advocated a stronger League of Nations line with Italy than the United Kingdom and France were prepared to follow. It is perhaps the most neutrality-minded of the parties. In domestic affairs it is a party of the center favoring a limited amount of state control of the economy and state assistance in the development of industry. The party was formed in 1926 from the group of anti-Treaty Republicans who had broken with the Irish Republican Army but were still boycotting the Free State Government. In 1927, the Fianna Fail deputies entered the Dail, thus in effect finally recognizing the legitimacy of the Irish Free State. In 1932, De Valera, supported by the Labor Party, formed a Fianna Fail Government. Although his party often had less than half the seats in the Dail, De Valera remained in office until February 1948, surviving in the meantime five general elections, the depression, a tariff war with the UK, threats to the security of the State from dissident extremist elements and, finally, World War II. During these sixteen years nearly all manifestations of association with the British Commonwealth were discarded; an essentially Republican Constitution was adopted; and an effort was made—with limited success—to build up industry and lessen the degree of economic dependence on the United Kingdom.

Fianna Fail's failure to secure a clear majority in the general election of February 1948, was attributable to public dissatisfaction with high prices, the complacency its officials had developed after so many years in power, and the electorate's

^{*} Meaning "Soldiers of Destiny"; it combines the name of a band of militia famous in Irish mythology and the word for destiny.

natural desire for a change. However, it is still the largest, best-organized, and wealthiest party in Ireland; it is by no means facing disintegration, and it expects to be returned to power at the next election. Fianna Fail received 42 percent of the first preference votes in the February 1948 election, and has 68 seats in the Dail. It receives varying degrees of support from all localities and classes. The party machinery is presently undergoing some reorganization with the object of obtaining greater support from younger voters.

De Valera is still leader of the party and its greatest political asset. Heirapparent is Sean Lemass, lately De Valera's deputy Prime Minister and presently the chief Opposition spokesman in the Dail and a managing director of the *Irish Press*, the Fianna Fail newspaper. While not as inspiring a leader as De Valera, Lemass is a competent administrator and an experienced politician; he is conducting the attempt to revitalize the party.

b. Fine Gael.

Fine Gael,* the second largest party, is distinguished from Fianna Fail not so much by issues as by personal animosities stemming originally from the 1922-23 "Civil War" over acceptance of the Treaty and secondarily from long years of political opposition. Basic domestic policies of the two parties are essentially identical, with Fine Gael tending to be somewhat more conservative and until the recent past more sympathetic toward the Commonwealth connection.

Fine Gael has evolved from W. T. Cosgrave's pro-Treaty party, in power from 1922 to 1932. In the last election, it received 20% of the first preferences, less than half the Fianna Fail vote. With thirty-one seats in the Dail it is the strongest party in the present coalition Government, of whose thirteen members, six, including the Prime Minister, are members of the Fine Gael. The wealthy and conservative elements and those most friendly to the British tend to support Fine Gael, but its adherents are not limited to these classes.

An absolute Fine Gael majority at a future election does not appear likely, although the party may increase in strength as the present Government proves successful. Its strength has remained approximately static through several general elections, the principal reason being the narrowing since 1932 of the gap between its domestic policies and those of Fianna Fail and the settlement for practical purposes of the great issue of the Treaty.

General Richard Mulcahy has led the party since Cosgrave's retirement in 1944. However, his leadership of the Free State forces during the "Civil War" left him too controversial a figure to be a coalition leader; and the post of Prime Minister in the "inter-party Government" went to John A. Costello, a highly respected barrister and a long-time Fine Gael front-bencher.

c. Clann na Poblachta.

The left-of-center Clann na Poblachta, or Republican Party, was formed in 1946 by Sean MacBride, the present Minister for External Affairs. The fourth largest

10

^{*} Literally, "Tribe of the Gael."

party in the Dail, the Clann received 13 percent of the first preference vote and ten deputies at the last election. It was expected to do better. Although MacBride is said to have been associated with the illegal Irish Republican Army until about 1939, the Clann has demonstrated no unconstitutional tendencies and has repudiated with apparently justified resentment charges that it harbors Communists.

The decision to repeal the External Relations Act, while agreed to by all parties in the Government, reflects the influence of Clann na Poblachta in the coalition. For the Clann, although it favors friendly Anglo-Irish relations, was the only party to advocate during the 1947-48 election campaign that Ireland withdraw completely from the Commonwealth. Clann na Poblachta's domestic policy, somewhat socialistic, resembles that of a Continental, Catholic, centrist party and contemplates increased social welfare schemes; a State program for the development of industry, agriculture, and natural resources; and the equating of credit and monetary facilities to the needs of full employment and production.

Although it is an aggressive young party with an attractive program and a glamorous leader, Clann na Poblachta's future is problematical. The Clann is in dire financial straits at the moment and, although MacBride is still firmly in control, is experiencing some internal dissension. This is attributable to the dissatisfaction of many Republicans, some of them only recently converted to constitutional ways, with the Government's failure to make progress toward the ending of Partition. However, even should Clann na Poblachta lose support at the next election, MacBride himself is likely to remain a powerful force in Irish politics.

d. Labor Party.

The Labor Party, sponsored by the Irish Trade Union Congress, received 9 percent of the first preferences in the February 1948 election. With fourteen deputies it is the third largest party in the Dail. Its program is similar to Clann na Poblachta's although Labor is naturally more trade-union conscious than the Clann. It is led by William Norton, Tanaiste or deputy Prime Minister in the present Government, who represents the conservative trade-union element within the party. There are some left-wing socialists in the party, notably ex-Communist James Larkin, Jr., who occupy the most extreme left position possible in Irish politics.

Most Irish workers are agricultural laborers among whom the unions have only recently begun to have any influence. Even Irish industrial workers have not supported the Irish Labor Party as solidly and consistently as British workers have the British Labor Party. In the past the working class vote seems to have oscillated between Labor and Fianna Fail; at present it is apparently divided among the Labor parties, Fianna Fail, and Clann na Poblachta. There are no indications of any large increases in Labor strength within the next few years.

e. National Labor Party.

The National Labor Party broke off from the Labor Party in 1944 at about the same time that some of the largest unions in Ireland withdrew from the Irish Trade Union Congress (ITUC) to establish the Congress of Irish Unions (CIU) because of dissatisfaction with the British connections of some of the ITUC unions. The party

received only 3 percent of the first preferences in the February 1948 election; with five seats in the Dail it is the smallest organized party in the house. However, so close was Fianna Fail to the majority that without the support of National Labor a non-Fianna Fail coalition could not have been formed, and not until the night before the first assembly of the Dail after the general election did National Labor decide to support the coalition. The parliamentary leader of the party, James Everett, became Minister for Posts and Telegraphs, a relatively unimportant post except that the incumbent has considerable patronage to dispense. Although it is considered to be the political wing of the CIU, the party's adherence to the coalition was in defiance of the CIU, which favored a De Valera Government rather than a coalition. Actually, association with the CIU was a slight political benefit to the party, as the number of National Labor first preferences was less than one-fourth of the number of members of the various unions associated with the CIU.

The party's policies are similar to those of the Labor Party, i.e., mildly socialistic. There is, however, no extreme left-wing element in the National Labor Party.

f. Farmers.

Clann na Talhman, which received 5 percent of the first preference votes at the February 1948 election, is the only organized farmers' party. It is essentially a peasant party and advocates government assistance in the development of agriculture. It has seven deputies in the Dail; in addition there are several members classified as Independent Farmers, or simply as Farmers; and at least one of the Independents is sometimes listed as an Independent Farmer. All these deputies usually vote together. In general, Clann na Talhman, whose limited strength is concentrated in the rural districts, represents the interests of the small farmers while the Independent Farmers represent the large landowners. Although Ireland is predominantly an agricultural country, no purely farmers' party has ever achieved any great success at the polls; most farmers support one of the larger parties. No increase in Clann na Talhman influence or strength is expected. The party is a member of the present coalition Government, and its leader, Joseph Blowick, is Minister for Lands.

g. Independents.

There are several deputies unaffiliated with any party. Most prominent among them is James Dillon, present Minister for Agriculture, and a member of Fine Gael until 1942 when he resigned from the party because of his disapproval of its support of the popular policy of neutrality. Generally conservative, most of the Independents are opposed to De Valera and support the present Government. Because of the importance of names and associations in Ireland, the role of the Independent is more important than elsewhere and running as an Independent more feasible.

4. OTHER GROUPS AND ORGANIZATIONS.

a. The Roman Catholic Church.

Ninety-four percent of the population of the twenty-six counties is Roman Catholic, most of them devout churchgoers. In few other countries is the Church as

strong; the influence of the parish priests and the prestige of the prelates are constant factors in Irish life. The Church has an especially important position in education since most schools are conducted by religious orders.

There is no Catholic party as such, but all parties could so qualify. The Church does not engage directly in politics; and priests do not run for public office, although some of them belong to political parties. The Government maintains cordial relations with the hierarchy, whose members are frequently consulted by men in public life and always represented on special committees such as that recently established to investigate emigration. Their good offices have sometimes been used in the settlement of important labor disputes.

The influence of the Church is apparent in the 1937 Constitution, which reflects many aspects of the social papal encyclicals: the family, the social welfare function of the State, and the right to own property are stressed; divorce is forbidden; and in the structure of the Senate some recognition is given to the principle of vocational representation.

The Church has generally been a conservative force. The bishops have not hesitated to denounce political violence and oppose it with the powerful sanction of excommunication. Historically the hierarchy, while perhaps not basically anti-nationalistic, seldom encouraged the Nationalist revolt against "lawfully constituted authority." The parish priests, however, being closer to the people often tended to be more radical.

b. Communists.

Communism has little appeal to the Irish, whose views on political, social, and economic matters are conditioned by religious beliefs. The minute Communist element, centered in Dublin, is believed to be led by Sean Nolan, a Dublin bookseller with contacts in the US, Northern Ireland, and the United Kingdom. A monthly magazine, The Review, which in general reflects the Communist line, is published in Dublin under Nolan's sponsorship; it appears to be financed from American or British sources. Communism is an almost insignificant force, and internally at least offers no conceivable threat to the State. There has been no organized Communist Party in Ireland since the early 1930's and there are at present no influential Communist or Communistfront organizations. But the charge of Communism is an effective political weapon and has been used against the Labor Party and Clann na Poblachta. Actually, there is no substantial evidence that the labor movement or any of the political parties have been infiltrated. Of important labor leaders only John Swift, head of the bakers' union and prominent in the Irish Trade Union Congress, is known to have definite Communist sympathies. There is an organized Communist Party in Northern Ireland and in London there are Irish Communist organizations. Although these presumably maintain close liaison with their confreres in Dublin, their influence and capabilities in the twenty-six counties are negligible.

c. Irish Republican Army.

Among the die-hard republicans left in the Irish Republican Army (IRA) after the formation of the Fianna Fail Party there developed some extreme leftists, and the

IRA experienced the usual strains and schisms to which such organizations are subject. It remained, however, ultra-nationalistic. The depression swelled its ranks and stimulated its activities. Militant and subversive, the IRA remained active throughout the 1930's. It was declared an illegal organization by the Cosgrave Government in 1931, but the ban was lifted the next year by De Valera. The IRA was again proscribed in 1936; and its activities were drastically curtailed during World War II, which saw many of its members imprisoned and some of them executed, either in Ireland or in the United Kingdom.

Little is known of the IRA. Although it still exists, its numbers are reported to be small and its members in Ireland known and watched by the efficient police force, the Garda Siochana, and military intelligence. It is strongest in Northern Ireland and in the border counties. Few acts of violence have been attributed to it in recent years. It is capable of creating civil disorder the extent of which would depend upon the issue involved. So long as Partition exists, the IRA is a factor limiting internationalism.

Attitudes toward the IRA have been varied in Ireland. Today only a handful support its methods. But Ireland is a country of patriots. An intense nationalist who views his country's liberation as accomplished and accepts its constitution and laws often cannot without some pangs condemn those who feel the cause is still to be pursued by violence. In short, the IRA, although it has been generally condemned in Ireland for many years, has been—and is—understood.

d. Other Influential Groups.

There are two central labor organizations in Ireland. The Irish Trade Union Congress (ITUC) is affiliated with the British Trades Union Congress; many of its unions have headquarters in the United Kingdom. The Congress of Irish Unions (CIU) was set up in 1944, with the encouragement of the Fianna Fail Party, as an organization of all-Irish unions unaffiliated with "foreign-dominated" organizations. The ITUC speaks through the Labor Party; the CIU has not been able to control the National Labor Party which it sponsored, but is, however, closely aligned with Fianna Fail. Efforts to mend the breach have been unsuccessful so far, and unity in the Irish labor movement is not an immediate prospect.

Among business organizations the Federation of Irish Manufacturers, representing an interest group concerned with the protection of industry, is important. Also, there are various associations speaking for agricultural and professional groups.

Most important of the various social, religious, and cultural organizations is Muintir na Tire (People of the Land). Sponsored by churchmen, it is concerned with the cultural and material welfare of the rural population and operates principally on the parish level although its influence is sometimes exerted more broadly.

5. Partition.

In the "Plantation of Ulster" in the early seventeenth century forfeited lands were turned over to Scottish and English settlers, who were—and are—Protestants. Self-styled "King's men," they have opposed both the aspirations of Irish nationalists

and the granting of self-government. The Government of Ireland Act of 1920 established Northern Ireland, that is, the six northeastern counties of the nine counties of Ulster; and the Anglo-Irish Treaty of 1921, establishing the Irish Free State, provided that the Government of Northern Ireland could opt out. It promptly did so, and Partition was accomplished. Northern Ireland possesses local autonomy but it is an integral part of the United Kingdom.

In the twenty-six counties, where Partition is a national grievance, all parties agree that the unity of Ireland is the principal aim of national policy. In Northern Ireland resistance to Irish nationalism is the chief tenet of the Unionist Party, which, supported by about two-thirds of the electorate, has been in power since 1920. There is considerable substance, however, to the Nationalist's charges of extensive gerrymandering and franchise restrictions. While in the thirty-two counties as a whole Catholics outnumber Protestants three to one, in Northern Ireland, where 80 percent of the island's Protestants live, Protestants outnumber Catholics nearly two to one, although Catholicism is the largest single denomination. Nearly all Northern Protestants are Unionists, demanding continued union with the United Kingdom, and all Catholics, Nationalists, demanding reunion with the rest of Ireland.

Although two of the six counties, Tyrone and Fermanagh, have Catholic and Nationalist majorities and there are Nationalist elements in other sections such as Derry city and South Down, there is a strong Unionist majority in the six counties as a whole. The Unionist attitude is reinforced by patriotic and religious considerations, by Irish neutrality in World War II, and by the fact that social services in the twenty-six counties are lower than in the United Kingdom. It is not certain, however, that the northern industrialists would be altogether displeased to become part of a country with lower taxes, higher protective tariffs, and lower wage levels.

Opposition to Partition in the twenty-six counties is genuine, not artificial; constant, not occasional. If political parties keep the issue before the people, it is because they cannot do otherwise and continue to exist; on this issue, if they sometimes deride the effectiveness of opponents' methods, they seldom question the sincerity of their motives.

Although there is only one attitude toward Partition in the twenty-six counties, there are various approaches to the problem of ending it, ranging from IRA terrorism and occasional impractical thoughts of challenging British military might to the necessity of first securing a "concurrence of wills" and making a united Ireland attractive to the Unionists. But the view is widely held that Partition was perpetrated and is maintained by the British and can be ended by them. The proposal with the widest acceptance in the twenty-six counties is to agree to the continuance of the separate Belfast Parliament, transferring to the Dail in Dublin the powers with respect to Northern Ireland now exercised at Westminster.

Although the severance of the twenty-six counties' last legal tie to Crown and Commonwealth has hardened the Unionist attitude, the Costello Government has nevertheless exhibited unusual optimism that the end of Partition might not be far off. This springs from a conviction that a united Ireland friendly to Britain would be more

valuable in European defense plans than a divided Ireland, a belief that the British Labor Party will right what seems to Ireland an international injustice, and a confidence that anti-Partition pressure will be forthcoming from the United States. Successive United Kingdom Governments, however, have asserted that Partition is a matter for settlement between the two Irish Governments; Prime Minister Attlee has pledged no change in Northern Ireland's constitutional status without its consent—a position, given the Northern attitude, of upholding the *status quo*. At present there are no convincing indications that the end of Partition is imminent.

6. Current Political Issues.

An outbreak of war could divide opinion sharply. There is strong sentiment, especially in Fianna Fail and the left wings of labor and Clann na Poblachta, for making international commitments contingent upon a settlement of Partition; and when the issue is so stated, it is hard for the other parties to take a different line. In the event of war, eventual Irish participation is probable despite Partition—but not without opposition and possibly some civil disorder.

Other issues of international significance could emerge if the Government decides to urge acceptance of the International Trade Organization Charter or to undertake any commitments involving a modification of tariffs and other devices that have been used for many years to stimulate industrial development. This would raise the first important basic issue between Fianna Fail and the present Government; but such issue is not in evidence yet. A party split on the question of whether to accept an ECA loan from the United States was avoided although there was much dissatisfaction that Ireland was not receiving an outright grant.

The most immediate problems are economic. In this sphere Opposition criticism has been directed more at method than at principle and is designed to split the parties in the coalition. Cuts in Government spending have been criticized where they resulted from curtailment of such international prestige-building projects as operating a short-wave transmitter and a trans-Atlantic air line. Abandonment of compulsory tillage and reductions in the military budget have been objected to as shortsighted. The Government has been attacked for not concluding a more favorable trade agreement with the United Kingdom. Reduction in the cost of living and expansion of social services have been derided as not being extensive enough. Nationalization of the transport monopoly, which is already partially under Government control, might become an issue although the company's present financial plight is such that nationalization, if proposed, is likely to be adopted without much opposition. More clearly defined issues might emerge as the Government's policies on controls, taxation, and social welfare are further revealed.

"Compulsory Irish" is an old issue that has recently been revived. Irish (Gaelic) and English are both official languages. To achieve the patriotic aim of reviving Irish as a spoken language, the teaching of it in the national schools and, where possible, its use in the teaching of other subjects, except English, have been compulsory since 1922. Today nearly all persons know some Irish; but only among a handful of

people is it in everyday use, and most of these live in remote western areas where the old tongue was never displaced. Criticism has been directed against the requirement that Irish be used as a teaching medium. As a result of current investigation of the schools the Costello Government may relax this requirement although continuing to promote the language through other means. Fianna Fail objections will be vigorous, for many of its adherents—and some in all parties—have always considered the revival of the national language essential to true nationhood and firmly believe that the entire present program is necessary to attain that end.

7. STABILITY OF THE PRESENT ADMINISTRATION.

Every party except De Valera's Fianna Fail is participating in the "inter-party Government." They were drawn together after the election less by differences of principle with Fianna Fail than by a common dissatisfaction with the prospect of a continuation of its sixteen-year-old administration. Prime Minister Costello assumed office amidst general predictions that another change of Government, and probably another general election, would occur within a few months. The coalition has shown an unexpected stability, however, and its prestige has steadily mounted. Even so, its position is so precarious that the withdrawal of any party or a switch of four votes could topple it.

If, for example, the Congress of Irish Unions should eventually be successful in its efforts to persuade the National Labor Party, whose support for the coalition was a surprise, to switch to De Valera, the Government would fall. If the regular Labor Party should become dissatisfied with the Government's policies and withdraw its support, or if party discipline within Clann na Poblachta should break down—both are possibilities—the Government would probably fall. If any party should come to feel that it has gained appreciably in popular support, it would be strongly tempted to try to precipitate an election. And it is entirely possible that the Government will decide to call an election while it still retains a majority.

If a party should "cross the floor"—a remote contingency except in the case of National Labor—a Fianna Fail Government could come in without a general election. Even then De Valera might prefer an election in the hope of getting a clear Fianna Fail majority. Barring this possibility, it is most likely that the passing of the present Government will be followed by an immediate election.

The Costello Government may, of course, remain in office for a full five years. An election could come about at any time, however, and chances are that one will before the statutory life of the present Dail expires in 1953. While in such election De Valera might be returned with a Fianna Fail majority behind him, it is more likely that Fianna Fail would merely remain the largest party. Most probably the next Government will be another coalition, based on either Fianna Fail or Fine Gael, more probably the latter, which is essentially the present situation.

Since, however, all parties accept the present democratic system and are not divided by serious differences of basic outlook, any succeeding Government will probably pursue policies not greatly unlike those of the present group.

CHAPTER II

ECONOMIC SITUATION

In many respects Ireland is still an economic satellite of the United Kingdom. In the seventeenth and eighteenth centuries its economic development was frustrated by the deliberate application of mercantilist principles. Throughout the nineteenth century the greater part of the land in Ireland was owned by English and Anglo-Irish landlords. Only in the area around Belfast, in what is now Northern Ireland, did extensive industrialization occur. During the past century the high degree of industrialization in the United Kingdom provided a rich market for agricultural products and a large supply of manufactured goods produced more cheaply than was possible in Ireland. Also, British import restrictions have tended to hinder industrialization. Consequently, the chief function of the Irish economy has continued to be the production of food for the British market. Even the deliberate efforts of Irish governments to foster domestic industry as a move toward national self-sufficiency have not materially altered this situation. Accordingly, Irish incomes are low. In 1946 the average per capita income was only \$390, about half the level in the United Kingdom.

1. Population and Natural Resources.

The total population of the twenty-six counties at the time of the 1946 census was 2,953,452. A century ago it was twice this figure. Since the famines of the 1840's there has been a constant stream of emigrants out of the country; net emigration in the period 1936-1946 was 189,942. Ireland does not offer sufficient economic inducement to absorb the natural increase; and the pull of higher wages in foreign countries, especially in the United Kingdom, continue to draw off its most efficient labor. Emigration is currently being studied by a commission of inquiry in the hope that a policy of economic development may be found which will be effective in keeping Irishmen at home. The establishment of more small industries is likely to be one of the commission's principal suggestions.

Ireland has only a meager endowment of natural resources. Minerals are insufficient even for its own needs. All petroleum products must be imported, and indigenous production of solid fuels is less than 10 percent of requirements. Coal imports before the war were over two million tons annually; about 1,500,000 tons were imported from the United Kingdom in 1948. Peat, an inefficient fuel of limited industrial utility though widely used in rural homes, is Ireland's most valuable mineral product. Some minerals needed for building materials are available; but metals are not found in significant quantities, and phosphate rock is not plentiful enough to meet Ireland's needs for this type of fertilizer.

Hydroelectric power has been developed to some extent to make up for these fuel deficiencies, and present plans call for extension of electric power lines over the entire country within ten years. But at present large parts of rural Ireland are still without

electricity; output in 1947 amounted to only 140 kilowatt hours per capita as compared with 900 per capita in the United Kingdom.

The country is very sparsely forested, less than 2 percent of the total land area being in timber. The sea fisheries are little exploited and presently employ only about 10,000 workers. By and large, Ireland depends on what its farmers can raise.

2. AGRICULTURE.

Ireland is primarily a peasant country. Some 70 percent of the country's 17 million acres are devoted to agriculture; over half the population live on farms; and in 1947 agriculture provided 80 percent by value of total exports. Farms are small; most of them are under 30 acres and a third are under ten. The Irish farmer is conservative and unreceptive to new ideas and possessed of little mechanized equipment. Farm incomes are even lower than the average for the country, and farmers lack the capital for extensive improvements and effective fertilization.

Ireland is over 90 percent self-sufficient in food production, but must import wheat for flour, animal feedstuffs, and fertilizers. Agriculture is mainly devoted to livestock and livestock products. Hay and pasture land is over half the total land area of the country and is more than three times the area in crops. Livestock and livestock products account for over 70 percent by value of total agricultural output and 98 percent of agricultural exports. Crop raising is still of secondary importance, although it has tended for many years to provide an increasing share of the volume of agricultural production and was encouraged during World War II.

Irish agriculture has not yet recovered from the effects of the war. Gross output in 1947 was only 92 percent of the gross output by volume in 1938-39 and was 6 percent less than the 1946 level.* Also, in 1947 only 20 percent of the total output was exported as against 38 percent in 1938-39. The difficult import situation during World War II necessitated an increase in crop acreage, particularly wheat, in order to maintain food consumption at approximately prewar levels. But owing to the curtailment of fertilizer imports and the general unsuitability of Irish agriculture for this sort of production, the increase in crops was not commensurate with the increase in tilled area; in fact, yield per acre of wheat declined over 40 percent between 1938 and 1946. Furthermore, part of the increase in planted area was at the expense of pasture land. This, coupled with a drop in imports of animal feedstuffs, caused a decline in livestock numbers and quality and a drop in agricultural exports.

LIVESTOCK POPULATION

| | Average | |
|----------|----------------|------------|
| | <i>1936-40</i> | June 1947 |
| Cattle | 4,021,000 | 3,930,000 |
| Hogs | 978,000 | 457,000 |
| Chickens | 15,961,000 | 14,537,300 |
| Sheep | 3,076,000 | 2,094,000 |

20

^{*} Low production in 1947 was due largely to unfavorable weather conditions.

AGRICULTURAL EXPORTS, AVERAGE 1934-38, 1947

| Product | Unit | <i>1934-38</i> | 1947 |
|------------------|-------------|----------------|-----------|
| Live cattle | Number | 664,000 | 484,000 |
| Hog products | Metric tons | 32,000 | none |
| Poultry and game | Metric tons | 7,600 | 6,300 |
| Fresh eggs | Ten dozens | 2,933,000 | 1,311,300 |
| Butter | Metric tons | 23,150 | none |

The decline is serious. The welfare of the Irish economy as presently constituted depends upon its ability to provide livestock and livestock products, principally live cattle, for export, obtaining in exchange imports of industrial products, fertilizers, grains, and feeds. The restoration of Irish agriculture to its prewar level requires approximately a 10 percent increase in volume of agricultural output and a shift in the livestock-crop ratio toward an increase in livestock numbers. It is dependent principally on the maintenance of wheat imports and on increased availability of fertilizers and feeds.

Government policy, although it contemplates the minimum of controls over farmers, is directed toward a return to approximately this prewar pattern. Its primary aim is to stimulate cattle exports and the output of livestock products. Encouragement is being given to production of potatoes, oats, and barley in order to increase supplies of animal feedstuffs. A survey of grasslands has been undertaken in the hope that it will lead to their improvement, a consequent increase in cattle numbers and quality, and an upswing in production of meat and dairy products. Although wheat production, stimulated by prices guaranteed in advance, will probably remain somewhat above the prewar level, large-scale grain production, which has proven uneconomic, will not be a permanent feature. Compulsory tillage has been abandoned although price guarantees remain on certain crops.

Actually, the prewar level of production did not approach Ireland's agricultural potential. But until the farmers are weaned away from the methods of peasant agriculture, until considerable drainage is accomplished, a greater degree of mechanization achieved, and internal transportation facilities improved, Ireland will not achieve optimum agricultural output.

3. INDUSTRY AND LABOR.

Industry is of secondary importance in the Irish economy and is mainly directed toward the manufacture of consumer goods, the leading industrial occupations being food and drink processing, clothing manufacture, printing and publishing, and the manufacture of construction materials. The heavy industries that characterize Northern Ireland are not found in the twenty-six counties. Principal industrial exports are textiles, and brewed and distilled beverages. The greatest factory concentrations are in the Dublin and Cork areas; but plants are found in towns throughout the southern and eastern parts of the country. Most of them are small and many are inefficient by American standards. There are several large factories assembling finished prod-

ucts, such as automobiles, from imported parts. But in general, Irish industry is based on Ireland's agricultural economy. No basic industries are likely to appear; and, in general, the pattern of Irish industry will probably continue to be the production of necessaries for domestic consumption and a few specialized products, such as whiskey and tweeds, for shipment abroad.

During the war, the volume of factory production declined to about 80 percent of the prewar level. The current volume of production, however, is over 125 percent of prewar. Such food processing industries as bacon curing and butter production continue in a decline as a result of the low livestock level.

Industrialization is a recent growth in the twenty-six counties, and expansion of industry has been a principal aim of government policy since 1932. Since then manufacturing industries have received government protection and direct financial assistance. Some of them enjoy monopoly status through administration of the rule that all new companies be licensed. Some, like the sugar refining industry, are really nationalized; that is, they are managed by "semi-official" corporations controlled by the State.

Domestic ownership of industries has been sought through such devices as a requirement that new companies be over half Irish-owned. However, as there is little Irish money seeking investment in productive enterprise in Ireland, it is likely that restrictions will be relaxed somewhat in order to attract foreign capital. The fostering of industrialization through such measures as protective tariffs will, however, probably continue to be a leading feature of government policy.

Strikes and work stoppages following the end of the war and the decontrol of wages led to passage of the Industrial Relations Act of 1946, which established a Labor Court to assist in the settlement of disputes. Although the Court has not prevented all strikes, it has kept them at a minimum. At present most industrial disputes are being settled by the Labor Court under the terms of an agreement among the Congress of Irish Unions, the Irish Trade Union Congress, and the leading employers organization, wherein the unions agreed not to press for wage increases above a specified level.

4. FINANCE.

Irish governments and the Irish banks have followed conservative financial policies. Domestic bank loans rose sharply after the war but have now apparently leveled off on a plane not far out of line with the increase in prices since the prewar period. Throughout 1948 the price level remained practically stable. Ireland carries a remarkably small public debt and maintains a balanced budget. On 31 March 1948, at the close of the 1947-48 fiscal year, the public debt was £104.8 million against which the State held assets of £48.5 million. That the State's credit is high is attested to by the rapid oversubscription of a recent £12 million bond issue, the first since 1941.

Ireland is a member of the sterling area, and its banks have long-standing connections with the British banking system. The Irish pound, although a separate currency unit, is exchangeable at par with the pound sterling; and the pound sterling is freely accepted for transactions purposes in Ireland. British Government securities

are the principal backing of the note issue and constitute a large proportion of commercial bank assets. The Central Bank of Ireland is committed by statute to issue legal tender notes against Bank of England notes and to redeem its notes with Bank of England notes on demand. The statutory par peg to sterling is being increasingly criticized in Ireland, many feeling that there should be a less cumbersome method of manipulating the exchange rate. Ireland can be expected, however, to remain a member of the sterling area. Trade and business connections with the United Kingdom are so extensive that Ireland gains considerable advantage by the stable exchange rate with the pound sterling, the ease of transferring currencies, and the sterling area mechanism.

The Central Bank of Ireland exercises currency and banking control. However, its control over the volume of money and credit is not extensive. Credit cannot be restricted by raising the reserve requirements of the commercial banks or selling securities to tighten reserves. Since Irish Government debt has been very small, there are practically no securities available for buying and selling. More important, banks in Ireland are not required to maintain minimum cash ratios and are in a highly liquid position. Their investments are largely in sterling and British Treasury bonds, which can be turned into cash at any time. It follows from the same factors that the Central Bank cannot effectively operate to expand money and credit.

The lack of tight control over the commercial banks has so far been fairly unimportant. Prices have been stable since early 1948 and there is no threat of strong inflation which would call for credit restriction. As for expanding money and credit under conditions of deflation, it is clear from the liquid position of the banks that tight credit has not been and will not be a depressing influence. Rather the demand for credit has in the past been at a low level, either for government or private account. The note issue of the Central Bank could be increased in future, however, to cover any government deficit financing.

5. Foreign Trade and Balance of Payments.

Ireland's commercial and financial links with the United Kingdom have inevitably involved it in Britain's balance-of-payment's difficulties at a time when its own economy, though not directly damaged by the war, is still suffering from the effects of wartime economic dislocations. Ireland is one of the sterling area countries, and the United Kingdom is its principal trading partner. About 90 percent of its exports go to the United Kingdom, and about half of its imports normally come from there. Live cattle and other agricultural products are exchanged for coal and manufactured goods. The United Kingdom is also the most important source of Ireland's invisible receipts; in 1947 over 90 percent of receipts in this category, chiefly emigrants' remittances and tourists' expenditures, came from the United Kingdom. Trade with the United States is very one-sided; imports from the United States account for about 8 percent by value of total imports while exports to the United States are less than 1 percent of all exports.

Ireland normally has an adverse trade balance, but in prewar years its invisible receipts permitted it to maintain an approximate balance on current international

account. The necessary foreign currency was obtained by converting sterling. Following the war, however, the adverse trade balance became so large that invisible receipts could no longer bridge the gap; and the inconvertibility of sterling limited the extent to which past accumulations of sterling could be drawn on to pay for hard currency purchases.

IRISH TRADE (IN £ 000,000)

(The volume figures are index numbers representing quantities of trade valued at 1930 prices)

| | Imp | orts | Exp | orts | Total | Trade | Excess of Imports |
|------|-------|--------|-------|--------|---------------|--------|-------------------|
| Year | Value | Volume | Value | Volume | V alue | Volume | Value |
| 1938 | £41.4 | 46.2 | £24.2 | 28.0 | £65.7 | 74.2 | £17.2 |
| 1944 | 28.5 | 14.4 | 29.9 | 16.1 | 58.4 | 30.5 | 1.4* |
| 1946 | 71.8 | 36.5 | 38.8 | 20.3 | 110.6 | 56.8 | 33.1 . |
| 1947 | 130.8 | 60.4 | 38.8 | 19.2 | 169.6 | 79.6 | 92.0 |

^{*} Export Surplus.

In 1938 the adverse trade balance of £17 million was covered by a favorable balance on invisible items of about £23 million. During the war the value of imports dropped sharply, exports less so, and receipts from invisible items increased greatly owing principally to a fourfold increase in emigrants' remittances. Consequently, Ireland maintained an exceedingly favorable balance of payments during the war period. Irish-held sterling balances in London increased from about £250 million before the war to over £400 million at its end. Indicating the trend in the sterling balances, the net external assets of the Irish banks, which in 1938 stood at £61.4 million, had reached £160.1 million by the end of 1946.

Adverse trade balances returned with the end of the war. In 1947, when the trade deficit reached the unprecedented level of £92 million, the favorable balance on invisibles was only £62 million. The balance-of-payments deficit of £30 million had to be made good from external capital. By June 1948 the external assets of the Irish banks had dropped to £129 million. Ireland, in other words, is currently living on capital, drawing on the savings of the past. The improved trade position in the latter half of 1948 and the extension of an ECA loan have, however, recently sharply reduced the depletion of the sterling balances.

As indicated below, Ireland's dollar deficit in 1947 was larger than its total balance-of-payments deficit computed in sterling. Most of the few dollars that Ireland receives directly come from Irish emigrants in the United States or from American tourists. Ireland has always had a dollar deficit, and in the past practically all of it has represented a drain on the dollar resources of the sterling area. At present all of Ireland's dollar purchases are being financed out of an ECA loan. Because they could foresee no possibility of earning enough dollars to repay it, the Irish were reluctant to accept an ECA loan. They were hoping that they would be able to obtain at least some

NET RECEIPTS ON CURRENT ACCOUNT IN 1947 (In £ Million)

Deficit (—); Surplus (+)

| | Sterling Area (Mainly UK) | Countries Participating in ERP (except UK) | USA, Canada and other Western Hemisphere Countries | Other Countries | Total All Countries |
|-----------------------|------------------------------------|--|--|--------------------|---------------------------|
| Merchandise | | | | | |
| trade | -31.7 | 14.0 | -40.6 | 5.3 | 91.6 |
| Emigrants' | | | | | |
| remittances | +6.2 | | +3.2 | | +9.4 |
| Net receipts— | | | | | |
| tourism | +26.2 | | +1.8 | | +28.0 |
| Income from | | | | | |
| capital | +7.9 | | +0.2 | | +8.1 |
| Other | +16.0 | +0.3 | +0.1 | | +16.4 |
| Deficit or | | | | | |
| surplus of current | | | | | |
| transactions | +24.6 | 13.7 | 35.3 | | 29.7 |

ECA dollars as an outright grant. But the initial United States decision—unchanged to date—was that aid to Ireland was to be on a loan basis only, and the continued conversion of Irish-held sterling into dollars was contrary to the British policy of maintaining sterling area reserves. Consequently, the Irish Government signed a loan agreement establishing a first credit of \$60 million.

The tremendous adverse trade balance in 1947 was attributable principally to a heavy increase in imports; the volume of imports in 1947 was 65 percent greater than in 1946. The situation caused great concern because these imports represented for the most part raw materials and consumer goods rather than capital equipment which could be used to increase the level of internal investment. However, a principal factor in the postwar import boom was restocking; and part of the 1947 balance-of-payments deficit, and a very significant part of the dollar deficit, was attributable to the drop in United Kingdom coal exports necessitating recourse to higher priced United States coal. Fortunately, that situation no longer obtains. The trade picture is now showing some improvement. Since June 1948 monthly trade deficits have been decreasing, reflecting a decrease in imports and a slight increase in exports. Although the 1948 adverse trade balance was nearly as high as in 1947, the encouraging figures in the latter half of 1948 indicate that 1949 will show a definite improvement and suggest that the Irish will within the next few years again be able to approach a balance in their international payments. The Government is attempting to stimulate trade with West-

Declassified in Part - Sanitized Copy Approved for Release 2013/02/19: CIA-RDP78-01617A001700040001-8

SECRET

ern Europe; trade agreements have been concluded with the United Kingdom, Spain, France, and the Netherlands; and already there has been a considerable shift in imports from the dollar to the sterling and other soft currency areas. However, even if Ireland's payments do eventually reach an over-all balance, the Irish will continue to face a serious dollar problem—which now includes the problem of repaying the ECA loan—as long as sterling remains inconvertible.

CHAPTER III

FOREIGN AFFAIRS

1. Irish Foreign Policy.

Since 1924, when the Irish Free State appointed a Minister to Washington and thus became the first dominion to break the diplomatic unity of the British Commonwealth, the independence of Irish foreign policy has been marked. The determinants of Irish foreign policy are its geographic and economic ties to Great Britain, a desire to emphasize independence of the United Kingdom, close cultural links with the Catholic countries of Western Europe, sincere friendship for the United States, and special sensitivity to Vatican opinion. Friendship for the United States stems from the assistance given by Americans to the Irish independence movement and from the vast numbers of people of Irish descent in the United States. Irish Governments have always counted, perhaps too optimistically, on Irish-American pressure to produce benevolent United States attitudes toward Ireland. The special affinity to Western Europe, especially Spain, Italy, and France, is a natural result of the ties of geography, religion, and culture binding Ireland to these countries.

Although anti-Axis in sympathies, Ireland was neutral in World War II—primarily, of course, because it was never attacked. Partition was also an extremely important factor, the Irish Government fearing, with much justification, that an alliance with Britain would result in civil disorder. Furthermore, always somewhat distrustful of Great Powers' motives and possessed of a small country's normal reluctance to become involved in their conflicts, the Irish were never convinced that moral considerations played a great part in Allied war aims. Although these factors are still present in greater or less degree, the Irish attitude toward a war between the USSR and the West would for obvious reasons be different. The attitude of the Church has great influence in Ireland, and the Irish would be deeply stirred on religious grounds by an East-West war and in all probability would not remain neutral.

Partition, however, still influences Irish thinking about the North Atlantic Pact. Like its predecessor, ever conscious of the views of the Nationalists in Northern Ireland and inclined to seize all opportunities to bring about Irish unity, the Costello Government has indicated that it will not participate in a military alliance with the United Kingdom while Partition continues. Whether anything short of war would alter this attitude cannot be confidently estimated.

The Irish are nonetheless extremely anxious to make their influence felt in world affairs. Their able representation and forward-looking policies in the League of Nations gained them the respect of other nations and increased their own confidence and ability in conducting foreign relations. Blackballed from the UN by a Russian veto, the Irish have been enthusiastic supporters of ERP and attach great importance to their participation in OEEC. They have indicated enthusiasm for the proposed Council of Europe.

2. RELATIONS WITH THE UNITED KINGDOM AND THE COMMONWEALTH.

Technically a Dominion under the terms of the Anglo-Irish Treaty of 1921,* Ireland was never psychologically a dominion. Unlike, for example, the Canadians or Australians, the Irish cherished no strong ties of blood and affection for the United Kingdom. Rather they had a tradition of struggle against the British. Ever conscious of its separate nationality, Ireland is itself a mother country whose people have settled in all parts of the world. Even under the Cosgrave Government, which accepted the concept of membership in the Commonwealth, Irish policy was essentially nationalistic and was directed toward a broadening of the implications of dominion status and a lessening of the degree of United Kingdom control and influence over the other Commonwealth countries. The Irish Free State had a considerable influence in the constitutional development of the Commonwealth during this period. After De Valera assumed office in 1932, Irish policy became one of increasing dissociation from the Commonwealth. By 1936 nearly all the manifestations of membership in the Commonwealth—as, for example, the office of Governor-General—had been discarded. The Constitution of 1937, an essentially republican document although not expressly proclaiming a republic, mentioned neither Crown nor Commonwealth and affirmed that Ireland was a sovereign, independent, democratic state with an inalienable right to choose its own form of government.

"External association" with the Commonwealth became the *de facto* position. As its neutrality in World War II emphasized, Ireland regarded itself not as a member of the Commonwealth but as a State associated with it for certain aspects of external relations. The last legal link to the Crown was the External Relations Act of 1936 under which Irish diplomatic representatives were appointed in the name of the King.

That last link was cut in December 1948 by the passage of the Republic of Ireland Act. After the Act goes into effect on 18 April 1949, external affairs will be conducted in the name of the President of Ireland; and Ireland will be described as the Republic of Ireland. Existing trade preferences and citizenship rights with the United Kingdom and the dominions will be retained. Representation with the United Kingdom, Canada, and Australia will probably be moved from the High Commissioner to the ministerial or ambassadorial level. Fears that the completion of the process of withdrawal from the Commonwealth would make Northern Ireland more aloof than ever were overcome by the feeling that the existing situation was anomalous, degrading, and artificial. Whether any Irish Government would renew formal association with the Commonwealth as a condition for ending Partition is uncertain. Certainly the Irish would not be enthusiastic to re-enter the Commonwealth. The Republic of Ireland Act does not however, reflect a recrudescence of angry Anglophobia. Bitter memories of injustice are dying out, and relations with the United Kingdom are being conducted in an atmosphere of friendship; but so long as Partition remains, the seeds of Anglo-Irish dispute are present.

28

^{*}The Treaty provided that the Irish Free State was to have "the same constitutional status in the Community of Nations known as the British Empire, as the Dominion of Canada, etc."

CHAPTER IV

MILITARY SITUATION

Ireland is incapable of offering effective resistance to an invading enemy without immediate and substantial assistance. Government military policy contemplates a small, highly trained, regular army and the maximum possible number of reserves. The armed forces are dependent on the United Kingdom for equipment and higher echelon training; British tactical doctrine is relied upon. For defense against invasion the Irish military rely heavily on the concept of "spider-web" defense under which small groups of forces would be spotted throughout the country at road junctions, defiles, bridges, and other vital points with the idea of carrying on organized guerrilla warfare which could be a serious problem for an occupying enemy.

The present strength of the army is about 8,000; reserve forces number about 50,000. Equipment consists of light infantry weapons and light artillery of World War II design or earlier. Stores of arms are insufficient to equip adequately the reserves that would be called up in an emergency. The air force has 58 planes, 11 of them attached to a fighter tactical unit; air force personnel number about 400. The naval service has 428 men; three corvettes recently obtained from the British serve as coastal patrol vessels.

There are about 750,000 men of military age, 15 to 49, about 600,000 of whom would be considered physically fit for some form of military service. It is believed, however, that total effective strength could not be raised above 300,000 and that it would take eighteen months to reach this level. 210,000 males had some military training in World War II. This includes 60,000 men who passed through the regular defense forces, 100,000 who served in home guard type units, and an estimated 50,000 who served in some branch of the British armed services.

CHAPTER V

STRATEGIC CONSIDERATIONS AFFECTING UNITED STATES SECURITY

Ireland is potentially a valuable ally because of its strategic location athwart the chief seaways and airways to and from Western Europe. Its terrain and topography lend themselves to rapid construction of airfields which would be invaluable as bases for strategic bomber attacks as far east as the Ural Mountains. Defense of such bases from air attack by European-based planes would be greatly facilitated by the need for such planes to cross the anti-aircraft defenses of Great Britain. Naval and naval air bases in Ireland would extend the range and effectiveness of anti-submarine and convoy protection operations in the southwestern approaches to the United Kingdom and in the Eastern Atlantic generally. Availability of such bases would therefore be of greatest value in the conduct of United States naval operations.

Although Ireland's most important wartime contribution would be the use of its territory, its potential manpower contribution is not inconsiderable. Lacking heavy industry, Ireland would have little to offer economically beyond its usual agricultural output.

The military inconvenience of Irish neutrality was amply demonstrated in World War II. Irish neutrality would probably again be tolerable under conditions of global warfare. However, and assuming these conditions, because hostile forces in Ireland would outflank the main defenses of Great Britain, and because it could be used as a base for bombing North America, the denial of Ireland to an enemy is an unavoidable principle of United States security.

CHAPTER VI

PROBABLE FUTURE DEVELOPMENTS AFFECTING UNITED STATES SECURITY

Ireland has always been friendly to the United States and is certain to remain so regardless of internal political changes.

As noted in *Chapter III*, *Foreign Affairs*, Ireland is not likely to remain neutral in a war between the USSR and the West. Since Partition is not likely to be ended, however, bases in Northern Ireland would undoubtedly still be available even if Ireland were neutral. The end of Partition is conceivable only in connection with Ireland's adhering to an alliance such as the suggested North Atlantic Pact, in which case bases would presumably be available under the terms of the alliance.

No significant changes in economic or manpower potentials are likely to occur.

APPENDIX A

TOPOGRAPHY AND CLIMATE

The island of Ireland lies west of Great Britain in latitudes 51-26 N to 55-21 N and from longitude 5-26 W to 10-26 W. Total area is 31,800 square miles, 5,200 in Northern Ireland and 26,600 in the Republic. The island measures 260 miles between its northeastern and southwestern extremities and 185 miles between the southeastern corner and the northwestern tip of County Mayo. The North Channel separates Ireland's northeastern coast from Scotland by distances varying from 10 to 30 miles; from the southeastern corner to Wales it is about 45 miles across the Irish Sea; Dublin lies 121 miles west of Liverpool across the Irish Sea. The shortest regular routes of crossing are from Rosslare in County Wexford to Fishguard in Wales, 54 miles, and from Dublin to Holyhead, 57 miles. Historically, Ireland was divided into four provinces and thirty-two counties; today, the provinces—Ulster, Leinster, Munster, and Connacht—have no administrative or political significance but are convenient terms for reference purposes.

There is a low central plain, seldom rising more than 300 feet above sea level, dotted and ringed for the most part by high, sometimes mountainous, land near the coast. The central plain, twice as long from east to west as from north to south, reaches the east coast between Dublin and Dundalk, the traditional invasion gateway, and extends westward to the highlands of Connacht, breaking through to the sea at Galway Bay and Clew Bay on the western coast. The central plain east of the River Shannon is an area of limestone, boulder clay and rich soil. It is dotted with peat bogs and shallow lakes. One-eighth of the land area of Ireland is peat bog and even a good part of the non-boggy land is usually damp and soft. Most of the utilized area of the central plain is given over to agriculture and pasturage.

The largest and highest mountain ranges are in the South and Southwest; these ranges trend east-west. The highest mountain, Carrantual in the Macgillycuddy Reeks in County Kerry, is 3,414 feet high. In this area the mountains are high and contiguous; elsewhere, they are knots, or short hills, separated by broad valleys or broader stretches of plain. These southwestern hills are usually barren, boggy, or craggy moorland, often shrouded in mist and drenched by severe squalls. They shelter the rich agricultural valleys of County Cork. From the River Shannon eastward to the coast, south of the central plain, is a low rolling upland interspersed with hills; this is a region of good pastures, cultivated farms, excellent roads, numerous villages and towns, and a fairly dense population. In the Southeast are the treeless mountains of Leinster rising steeply to the south of Dublin and stretching to Waterford harbor. They overlook a low coastal plain at the southeastern tip of the island.

North of the central plain, the hills of eastern Ulster enclose a plateau in which lies Lough Neagh, the largest body of water in Ireland. West of Lough Neagh are the highlands of Counties Tyrone and Donegal, whose northeast-southwest hills are sepa-

rated and cut across by valleys and lakes. From Lough Foyle in Donegal to Galway Bay is a continuous mountain region. Lying west of the Shannon, this area is either poorly drained bog or too well drained, bare, and rocky surface. The highlands of western Connacht are rough, poor and forbidding.

The main drainage partings of the island are not mountain ranges but low, broad, almost imperceptible ridges, usually not over 500 feet in altitude. Consequently, the headwaters of streams flowing in opposite directions often intermingle, allowing for the easy construction of canals. A series of canals connects Ulster with the central plain and Dublin with the Shannon and with Waterford. The principal river is the Shannon. In its nature it is more a chain of lakes with tributary streams than a river. Above Limerick City there are rapids, the river falling 100 feet in less than 20 miles; this is the site of important hydroelectric developments. Throughout its course, the Shannon is crossed only at rare fords and causeways, natural and artificial.

The northern and western coasts are very irregular with deep indentations and numerous offshore islands. The eastern coast, however, is fairly regular, being only slightly indented at Wexford Bay, Dublin Bay, and Dundalk. The southern coast is less regular than the eastern and is more irregular west of Cobh than east of it. The variation in rise and fall of the tides is generally less on the eastern coast than elsewhere. Wexford Harbor, for example, has a tidal range of but 3.3 feet at neap tides and 5.1 feet at spring tides; Limerick, on the other hand, in the West, has a variation of 14 feet at neap tides and 18 feet at spring tides.

Ireland's climate is governed by its girdle of high land and its insular position in the path of southwesterly winds. The climate is mild and damp; grass grows all the year. The relative humidity is generally above 80%; it rains 200 days in a year. The west and the highland areas generally receive more rain than the rest of the island. In general, rainfall is evenly distributed throughout the year with somewhat greater precipitation in the winter in the Southwest and in the late summer and fall in the central and eastern sections. The mountains of Kerry and Galway receive very heavy annual rainfall. Most of the highland areas around the coast receive over 40 inches while rainfall on the central plain varies between 30 inches and 40 inches.

Temperatures vary between 40 and 60 degrees; extremes of 16 degrees (in January) and 90 degrees (in July) have been recorded, but these are rare. Winds, averaging from 10 to 15 miles per hour, are almost universal at all times. Winds from the west prevail.

APPENDIX B

SIGNIFICANT PERSONALITIES

DE VALERA, EAMON (Age 66)

Leader of the Fianna Fail Party.

Scholar, revolutionary, and politician, De Valera in his time has so captured the imagination and so truly reflected the national aspirations of the Irish people that he must rank with O'Connell and Parnell as a national leader. He is still the most popular—and the most controversial—man in Ireland. He might at any time become Prime Minister again.

Born in New York City, son of a Spanish father and an Irish mother, he grew up in Ireland. As a young teacher of mathematics he became interested in the language revival movement and became a passionate nationalist. Although not one of the principal instigators of the Easter Rebellion of 1916, he won fame as the commander of the last insurgent fort to surrender. He was sentenced to death, but his sentence was later commuted to life imprisonment, and he was eventually released in the general amnesty of 1917. He returned to Ireland from an English prison to find himself a popular hero. He became one of the leaders of the republican movement, was again imprisoned in 1918, made a dramatic escape, and acted as head of the revolutionary government during the Anglo-Irish War. He refused to accept the Treaty and led the anti-Treaty forces in the Civil War. Once he was imprisoned by the Cosgrave Government. As leader of the Fianna Fail Party, which he had founded, he became head of the government in 1932. He remained Prime Minister until February 1948; since then he has been leader of the Opposition.

Although he has much personal charm, he is by nature reserved and contemplative. His glamour stems from his career rather than his personality. He has a reputation for political astuteness and during his sixteen years in office demonstrated a remarkable talent for assessing and moulding public opinion. His personal integrity is unimpeachable. He is intensely loyal to his followers; many Fianna Fail ministers were men who qualified less by administrative ability than by long-standing devotion to "Dev."

The principal aim of his life has been the establishment of an economically and politically independent, Gaelic-speaking republic. Many of his important decisions have been extremely controversial and many have appeared to be compromises, but he has never admitted either error or compromise with principle. He is friendly to the United States but opposed to Ireland's joining a defense pact while Partition continues. But in the event of war, he is not likely to insist on neutrality if the conflict comes to be regarded as a "Holy War."

COSTELLO, JOHN A. (Age 58)

Prime Minister, Member of Fine Gael.

Costello's selection as the coalition's Prime Minister in February 1948 was a surprise.

Although a leading member of Fine Gael and a Dail deputy since 1933 (except for a brief interval in 1943-44), he was not the leader of the party. His selection was probably attributable to the fact that he is little involved in the personal bitternesses that still persist as an aftermath of the Treaty era. Although he took no part in the Civil War, he served as Attorney-General under the Cosgrave Government from 1925 to 1932 and was regarded as an expert on the Irish Free State's constitutional relations with the United Kingdom and the Commonwealth.

Costello is one of the ablest and wealthiest barristers in Ireland, and his acceptance of office entailed a considerable financial sacrifice. Himself a conservative, he is a skillful administrator and politician and cooperates well with the Labor parties and Clann na Poblachta. His diplomatic personality gets much of the credit for the fact that the various elements of the "inter-party Government" have held together so well for so long. He had been regarded as a supporter of relatively close ties with the United Kingdom and the Commonwealth, but he sponsored the Republic of Ireland Bill as a means of regularizing Ireland's international status and removing the causes of internal discord. In common with nearly every other Irish political leader he favored neutrality in World War II.

MacBride, Sean (Age 45)

Minister for External Affairs. Leader of Clann na Poblachta.

The outstanding personality of the present Government, MacBride has an impeccable revolutionary pedigree. His father was one of the executed heroes of 1916; his mother is Maud Gonne MacBride, a fabulous beauty and a fiery republican in her day, the inspiration of W. B. Yeats. MacBride received a large part of his early education in France and still maintains many contacts on the Continent. He fought in the Anglo-Irish War and with the Irish Republican Army (IRA) in the Civil War. He remained in the IRA for many years after the present leaders of Fianna Fail had broken with it. It is not clear when he left the organization, nor is it certain that he has, although it is supposed he did so about 1939 when the IRA instituted its campaign of terrorism against England.

Like Costello, a brilliant and successful barrister, he is noted for his forceful advocacy and remarkable talent for cross-examination. He is probably the best debater in the Dail. He is definitely of Prime Ministerial caliber. He is charming, affable, and intelligent, an excellent diplomat. He has shown a great interest in the Organization for European Economic Cooperation and in international cooperation generally and believes that Ireland would not remain neutral in event of war. He considers it politically impossible for Ireland to join a military alliance while Partition continues.

DILLON, JAMES MATTHEW (Age 47)

Minister for Agriculture. Independent.

Son of one of the principal figures in the pre-World War I Irish Parliamentary Party at Westminster, James Dillion has been active in politics himself since 1932. During World War II he was the only politician in Ireland to advocate abandonment

of strict neutrality and active cooperation with the United States and Great Britain. He resigned from the Fine Gael Party, of which he was a Vice-President, because of his stand on this issue. Prior to the 1948 election, however, he attempted unsuccessfully to negotiate a fusion of Fine Gael with Clann na Talhman, and evinced a desire once again to become a political regular. But he is still an independent. It is possible that he is thinking in terms of a new center party.

A bitter enemy of De Valera and Fianna Fail, he and the Government's agricultural policy are the favorite targets of Opposition attack.

STAT

he is a capable Minister STAT

for Agriculture. With his brilliant wit and great talent for invective and bombast he is one of the most colorful and effective orators in the Dail.

Like Costello, he is a conservative and a former supporter of the Commonwealth who favored the Republic of Ireland Act. He is pro-American and sees in the existence of Partition a situation exploitable by Communists. Although he has recently declared that he would like to see a close economic union of English-speaking countries, to be expanded later to include others, he also probably regards Partition as sufficient justification for Ireland's abstaining from defensive alliances involving the United Kingdom.

LEMASS, SEAN (Age 50)

Member of Fianna Fail.

Lemass fought in the Easter Rising, in the Anglo-Irish War, and in the Civil War. He was one of the founders of Fianna Fail and has been elected to the Dail continuously since 1924. He was the economic brain of the De Valera Government and, as Deputy Prime Minister and Minister for Industry and Commerce, was De Valera's most respected and capable lieutenant.

He is the type of politician who remembers well both his friends and his enemies. Personally, he is something of a bon vivant. He is a managing director of the Irish Press, the Fianna Fail newspaper. Next to De Valera he is probably the most popular Fianna Fail leader and is generally regarded as De Valera's successor-designate. However, he has not been particularly effective as an Opposition spokesman in the Dail; and it is possible that his place in the party hierarchy is being usurped by Frank Aiken.

AIKEN, FRANK (Age 51)

Member of Fianna Fail.

Born in Ulster, Aiken was one of the bravest and most renowned leaders of the Irish Republican Army during the Anglo-Irish War and the Civil War. He is devoted to De Valera and accompanied him on his 1948 anti-Partition speaking tours abroad. He was Minister for Defense and later Minister for Finance under De Valera; during World War II he administered, quite ruthlessly, the censorship regulations designed to prevent a compromise of Ireland's neutrality. He is by some reports extremely anti-British and anti-American. Pleasant in manner, he is a shrewd politician and a clever and effective speaker,

STAT

| He is generally ranked below Lemass and would probably make a poor Prime | |
|--|--------|
| Minister, but he is strong enough with ex-members of the Irish Republican Army to be considered as a possible successor to De Valera. | |
| Other Important figures include: | |
| Mulcahy, Richard | |
| Minister for Education. President of Fine Gael. Despite his position in Fine Gael and his general competence, he has had little apparent influence in the "inter-party Government," probably because of the unacceptability of his "national record" to the republican elements in Clann na Poblachta: IRA Chief of Staff in the Anglo-Irish War, he later became the leader of the Free State forces in the Civil War. | |
| Morton, William | |
| Tanaiste, or Deputy Prime Minister, Minister for Social Welfare, and leader of the Labor Party. A trade union official turned politician, he is a right-wing Socialist whose primary interest is in advancing the Labor Party's program. | |
| McGilligan, Patrick | |
| Minister of Finance and member of Fine Gael. A prominent barrister and Professor of Law, he held several important posts under Cosgrave. He is an especially | |
| able Minister and exponent of Government policy. | |
| | |
| O'HIGGINS, T. F. | |
| Minister for Defense and member of Fine Gael. His father and his brother were both assassinated by republican extremists. He is politically conservative and a bitter opponent of Fianna Fail. | |
| MacEntee, Sean | |
| Member of Fianna Fail and ex-Minister for Local Government. Sharing with De | \neg |
| | |
| Valera, Lemass, and Aiken the leadership of Fianna Fail, | _ |

CHILDERS, ERSKINE

Member of Fianna Fail, formerly Parliamentary Secretary to the Minister for Local Government. Another potentially important younger leader, he is a devoted follower and confident of De Valera. His father was executed by the Cosgrave Government.

APPENDIX C

TRANSPORTATION AND COMMUNICATIONS FACILITIES

Dublin, together with Dun Laoghaire (Kingstown), is the principal port, handling about 60 percent of the country's seaborne traffic. Over two-thirds of its incoming tonnage is from British or other Irish ports. It has adequate storage, loading, and repair facilities. Next in importance are Cork and Cobh (Queenstown), the principal ports of call on the trans-Atlantic route, where the passenger facilities at least are not entirely satisfactory. Waterford and Limerick rank after Cobh in importance. Ireland has recently entered the trans-Atlantic passenger and cargo field on a small scale; at present two ships are in operation, three more are planned.

Air transport is in the hands of a government corporation, Aer Rianta. The operating company, Aer Lingus, 60 percent owned by Aer Rianta and 40 percent by British Overseas Airways Corporation (BOAC), presently operates on routes between Dublin and Shannon, and to points in the United Kingdom, France, and the Netherlands. Another company, wholly owned by Aer Rianta, had been organized to fly the trans-Atlantic route; but these plans have been dropped. Aer Lingus has been operating at a loss for some time; 50 percent of its losses, however, are absorbed by BOAC. Present equipment policy is to standardize on the DC-3, of which Aer Lingus now has an operational fleet of thirteen. There are two commercial fields: Dublin (Collinstown) and Shannon, which is a customs-free international airport; services at the seaplane base at Foynes were terminated early in 1948. Irish aviation policy contemplates the continued use of Shannon as the country's international airport; all planes stopping in Ireland on trans-Atlantic flights are required to land at Shannon. This is unsatisfactory to foreign carriers, which would prefer to stop only at Dublin, if at all.

There are about 2,500 miles of railway track in the twenty-six counties, all but a few hundred miles being 5'3" gauge.* Practically all lines are single track although double track lines connect Dublin with Cork and with Belfast in Northern Ireland. Of the approximately 500 locomotives presently in service most are steam driven but it is planned that these will eventually be replaced by Diesel electrics. In general, equipment is old, but in fairly good repair.

Except in the remote western seaboard areas the country is well traversed by roads and highways. About 70 percent of the road mileage is surfaced at least with unrolled macadam. Concrete and asphalt roads are found only in the vicinity of large towns. In the main, roads are good, with well-laid roadbeds, although narrow and winding.

There are about 650 miles of inland waterways. The most important is the Grand Canal, 208 miles long, connecting Dublin with the interior.

^{*} Standard gauge in use in the United Kingdom is 4'8.5".

Railways, bus lines, and the Dublin streetcar services are under the control of Coras Iompair Eireann (CIE), a corporation set up in 1944 under government auspices. Private stockholders retain ownership, but the Government-appointed member of the CIE board holds actual control. Under the CIE service is still unsatisfactory, costs have not been reduced, and the company has lost money. The report of a recent special investigation into the transport services recommended, among other things, broadening the responsibility of the board as a whole and an investment of over £10 million in capital equipment. The government has indicated that the transport services will shortly be nationalized.

In general, Ireland's internal transportation system is capable of meeting present needs; but considerable reorganization, coordination, and investment is necessary if it is to support a much increased level of economic activity.

Ireland has lagged behind other northern European countries in internal communications facilities. There are about 60,000 telephones in use and 171,000 miles of working wire. There are 20,000 miles of single telegraph wire.

APPENDIX D

POPULATION

The population enumerated in the census of 1946 was 2,953,452 compared with 2,968,420 in 1936, representing a decrease of 14,968 or 0.5 percent. The number of males was 1,494,384 compared with 1,520,454 in 1936, a decrease of 26,070 or 1.7 percent. The number of females was 1,459,068 as compared with 1,447,966, an increase of 11,102 or 0.8 percent. During the period births exceeded deaths by 174,974, but net emigration (passengers outward less passengers inward) was 189,942, an average annual net emigration of 18,994.

Population of each County, 1936 and 1946

| COUNTY | Popt | JLATION | COUNTY | Popu | LATION |
|------------------|-----------|-----------|------------------|---------|---------------|
| Provinces: | 1936 | 1946 | Munster | 1936 | 1946 |
| Leinster | 1,220,411 | 1,280,219 | Clare | 89,879 | 85,071 |
| Munster | 942,272 | 916,750 | Cork County | | |
| Connacht | 525,468 | 492,816 | (Borough) | 80,765 | 75,361 |
| Ulster (part of) | 280,269 | 263,667 | Cork County | 275,192 | 267,882 |
| 0-2000 (pull 01) | | | Kerry | 139,834 | 133,818 |
| Leinster | | | Limerick Co. | | |
| Carlow | 34,452 | 34,048 | (Borough) | 41,061 | 42,987 |
| Dublin County | 0 1, 102 | 01,010 | Tipperary | 137,835 | 135,981 |
| (Borough) | 472,958 | 506,635 | Waterford Co. | | |
| Dublin County | 113,967 | 129,241 | (Borough) | 27,968 | 28,332 |
| • | • | | Waterford Co. | 49,646 | 47,825 |
| Kildare | 57,892 | 64,834 | Connacht | | |
| Kilkenny | 68,614 | 66,683 | Galway | 168,198 | 165,196 |
| Leix | 50,109 | 49,634 | Leitrim | 50,908 | 44,578 |
| Longford | 37,847 | 36,221 | Mayo | 161,349 | 148,200 |
| Louth | 64,339 | 66,135 | Roscommon | 77,566 | 72,511 |
| Meath | 61,405 | 66,220 | Sligo | 67,447 | 62,331 |
| Offaly | 51,308 | 53,644 | | , | , |
| Westmeath | 54,706 | 54,880 | Ulster (part of) | | |
| Wexford | • | · | Cavan | 76,670 | 70,323 |
| | 94,245 | 91,704 | Donegal | 142,310 | 136,136 |
| Wicklow | 58,569 | 60,340 | Monaghan | 61,289 | 57,208 |

The latest figures for religious professions in the twenty-six counties come from the 1936 census, but the proportions would not have changed significantly since then:

| Catholics | 2,773,920 |
|--|-----------|
| Protestant Episcopalians (Church of Ireland or | |
| Anglican) | 145,030 |
| Presbyterians | 28,067 |
| Methodists | |
| Other professions | 11,754 |
| | 2,968,420 |

The population of Northern Ireland, according to the census of 1937, the latest available, was as follows:

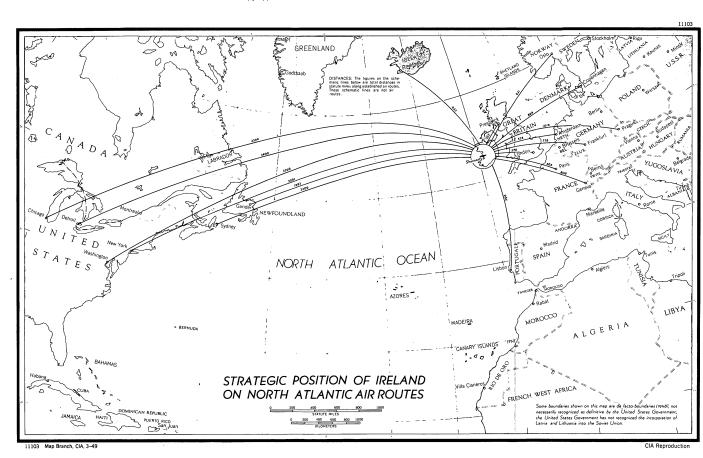
| County | Population |
|----------------------------|------------|
| Antrim | 197,266 |
| Armagh | 108,815 |
| Belfast County Borough | 438,086 |
| Down | 210,687 |
| Fermanagh | 54,569 |
| Londonderry County | 94,923 |
| Londonderry County Borough | 47,813 |
| Tyrone | 127,586 |
| | 1,279,745 |
| | |

Religious professions at the time—and the proportions would not have changed significantly since then—were:

| Catholics | 428,290 |
|---|-----------|
| Presbyterians | 390,931 |
| Church of Ireland (Anglican or Protestant | |
| Episcopalian) | 345,474 |
| Methodists | 55,135 |
| Other professions | 59,915 |
| | 1,279,745 |

44





Document No.

NO CHANGE in Class.

DECLASSIFIED
Class. GLACED TO: TS S C

DDA Memo, 4 Apr 77

Auth: DDA RYG. 77/1763

Date: 5444 38 By: 023

Declassified in Part - Sanitized Copy Approved for Release 2013/02/19 : CIA-RDP78-01617A001700040001-8



U. S. GOVERNMENT PRINTING OFFICE 3571-STATE-1949